

Message Text

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ACTION EUR-25

INFO OCT-01 ISO-00 AID-20 CEA-02 CIAE-00 COME-00 EB-11

EA-11 FRB-02 INR-10 IO-14 NEA-10 NSAE-00 RSC-01

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FM AMEMBASSY BONN

TO SECSTATE WASHDC 1332

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E.O. 11652: N/A

TAGS: EAID, GW

SUBJECT: FRG 1973 PRELIMINARY AID PERFORMANCE

1. SUMMARY: TENTATIVE FRG AID PERFORMANCE FIGURES WHICH ARE SCHEDULED TO BE SENT TO THE DAC IN THE NEAR FUTURE SHOW A DECLINE IN TOTAL FRG AID FLOWS IN 1973. THESE FIGURES SHOULD NOT BE DISSEMINATED TO SOURCES OUTSIDE THE US GOVERNMENT.

2. ACCORDING TO CONFIDENTIAL FIGURES OBTAINED BY THE EMBASSY, FRG NET AID FLOWS DROPPED TO 0.51 PERCENT OF GNP IN 1973 COMPARED WITH 0.68 PERCENT IN 1972. THE FOLLOWING PROVIDES 1973 PRELIMINARY AMOUNTS FOR MAJOR DAC-DEFINED CATEGORIES IN MILLION DOLLARS AND PERCENTAGES OF GNP (COMPARABLE 1972 DATA IN PARENTHESIS).

3. TOTAL FLOWS, NET: 1,767.75 - 0.51 PERCENT (1,756.22-0.68 PERCENT),

A. OFFICIAL DEVELOPMENT ASSISTANCE (ODA), NET: 1,098.50-0.32 PERCENT (808.30 - 0.31 PERCENT),

B. OTHER OFFICIAL FLOWS, NET: 229.03 - 0.06 PERCENT

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(148.49-0.06 PERCENT),

C. PRIVATE FLOWS, NET: 301.60 0.09 PERCENT (675.80-0.26 PERCENT),

D. GRANTS BY PRIVATE VOLUNTARY AGENCIES: 138.62-0.04 PERCENT (123.63-0.05 PERCENT).

4. THE EXCHANGE RATES USED BY THE FRG FOR CONVERSION WERE DM 2.6691 PER DOLLAR IN 1973 AND DM 3.2225 PER DOLLAR IN 1972.

5. REGARDING TERMS OF OFFICIAL LOANS, THE FOLLOWING DATA WERE COMPUTED BY THE FRG FOR 1973: 32.05 YEARS OF MATURITY (28.9 YEARS IN 1972), INCLUDING 9.39 YEARS OF GRACE (8.3 YEARS), AND 2.07 PERCENT INTEREST RATE (2.6 PERCENT).

6. WHILE THE PERFORMANCE OF ODA IMPROVED SLIGHTLY IN 1973 OVER 1972, IT WAS MAINLY NET PRIVATE FLOWS WHICH CAUSED THE POOR 1973 RESULTS, INCLUDING A MINUS OF \$312 MILLION FOR EXPORT CREDITS, AND A MINUS FIGURE OF \$272 MILLION OF OTHER LONG-TERM BILATERAL ASSETS. THE ABSOLUTE PERFORMANCE EXPRESSED IN DOLLARS IS MUCH MORE FAVORABLE THAN IF IT WERE EXPRESSED IN DM DUE TO THE DIFFERING EXCHANGE RATES USED DURING BOTH YEARS UNDER CONSIDERATION.

7. THE PERFORMANCE OF THE FRG AID PROGRAM IS A HIGHLY POLITICAL ISSUE IN THE FRG, PARTICULARLY IN THE BUNDESLAND. SINCE THE FIGURES HAVE BEEN NEITHER RELEASED TO THE PUBLIC NOT COMPLETELY CIRCULATED WITHIN THE GOVERNMENT, THEY SHOULD BE USED WITH DISCRETION.
HILLENBRAND

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